

ATTENTION: Read this document if your employees are or may be, covered by a TAA certification.

When a worker group becomes TAA certified, employees must make many important, time sensitive decisions. Don't let them overlook the IRS Health Coverage Tax Credit (HCTC), an important health benefit.

What is the HCTC

The HCTC is a federal tax credit that pays 65 percent of qualified health plan premiums for eligible individuals. Your employees, as well as their spouses and dependents, may be eligible to take advantage of the HCTC.

Who is eligible for the HCTC?

Two groups of individuals are potentially eligible for the HCTC. They include individuals who are receiving:

- Certain Trade Adjustment Assistance (TAA) or Alternative Trade Adjustment Assistance (ATAA) benefits.
- Pension Benefit Guaranty Corporation (PBGC) pension benefit payments who are between the ages of 55 and 65 and are not eligible for Medicare.

How can you help your employees?

TAA certification for a company may take up to 40 days. Employees may register for the HCTC only after they begin receiving TAA or ATAA benefits, or if they are eligible to receive the benefits, but have not yet exhausted their unemployment insurance. Additionally, the processing time required for HCTC enrollment can take four to six weeks.

During this time employees should research and enroll in an HCTC qualified health plan.

Employees are more likely to benefit from the HCTC Program and maintain their health coverage if employers:

- Provide information to employees on qualified health plan options. (see below)
- Work with the State Workforce Agency (SWA) to add HCTC Program information to layoff communications. This will ensure that your employees have timely and consistent information on the HCTC.
- Encourage COBRA Health Plan Administrators (HPAs) to register with the HCTC Program to ensure employees maintain continuous health coverage. COBRA HPAs must register to receive payments from the HCTC program by contacting the HCTC Customer Contact Center (CCC) at **866.628.4282 (HCTC)**, (TDD/TTY 866.626.9282) for an enrollment kit.*

What health plans are qualified for the HCTC?

Individuals must be enrolled in a qualified health plan to claim the tax credit. **Only certain health plans qualify for the HCTC including:**

- **State-Qualified Health Plan** (for a complete listing visit, www.irs.gov, IRS Keyword: HCTC)
- **COBRA** Continuation Coverage
- **Spousal Coverage**, where the spouse's employer pays for less than 50 percent of the health plan premium (additional requirements apply for ATAA recipients)
- **Individual (Non-Group) Coverage** that began at least 30 days before the individual separated from the job that made him/her eligible for TAA/ATAA benefits.

To learn more about the HCTC Program, please visit us at www.irs.gov, IRS Keyword: HCTC.

*The HPA Guide details the requirements and steps for an HPA to enroll with the HCTC Program.
View the HPA Guide online at www.irs.gov.